I. INTERDICTIONS OF ILLICIT DRUGS AND FIREARMS SMUGGLING IN 2006

Number of Interdictions

(1) Summary

A total of 378 cases of interdiction of illicit drugs were reported in 2006 (111% of the previous year's level). The amount of seizure was 377 kg (56% of the previous year's level) for drugs such as stimulants and cannabis (illicit drugs excluding tablet-type drugs such as MDMA and psychotropics, the same below), and 142 thousand tablets for psychotropics, tablet-type drugs, such as MDMA (57% of the previous year's level).

Meanwhile, four cases of interdicted smuggling of firearms were reported (200% of the previous year's level), and 15 firearms were seized (375% of the previous year's level).

Major characteristics of smuggling in 2006 were as follows:

- ① The number of interdictions of stimulants rapidly increased in the latter half of the year to reach 82, which was the second largest figure after 103 cases in 2004.
- ② Approximately 15 kg of opium was interdicted at one time, which was the record high for a single seizure of opium.
- The means of smuggling have become more diversified, including smuggling of stimulants by air passengers, and ship passengers and crew members by wrapping them around their body, concealment in international mail matters, impregnating bath towels with solutions of stimulants, and concealment of cannabis in hangers.

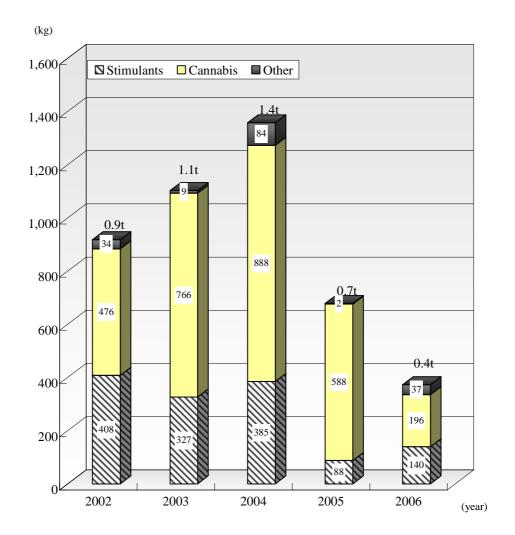
(2) Interdiction of Major Illicit Drugs and Firearms

Year		2002	2003	2004	2005		Compared to 2005
Stimulants	Cases	20	76	103	33	82	248%
	kg	408	327	385	88	140	159%
Cannabis	Cases	276	355	314	243	195	
	kg	476	766	888	588	196	33%
(Herbal	Cases	191	233	242	178	136	
cannabis)	kg	261	436	597	385	130	34%
(Cannabis	Cases	85	122	72	65	59	
resin)	kg	215	330	291	203	66	32%
Heroin	Cases	15	9	3	3	3	
	kg	19	5	0	0	2	
Cocaine	Cases	12	11	19	5	12	
	kg	14	0	83	2	7	
Opium	Cases	3	2	6	3	6	200%
	kg	2	4	1	0	27	6669%
MDMA	Cases	35	43	54	25	30	120%
	1,000 Tablets	172	368	401	234	115	49%
Psychotropics	Cases	89	58	63	28	50	179%
	1,000 Tablets	60	16	27	15	27	184%
Total	Cases	450	554	562	340	378	111%
	kg	918	1104	1,358	679	377	56%
	1,000 Tablets	233	385	429	249	142	57%
Reference	10,000	1,884	1,597	2,015	606	629	104%
(Number of uses)	times	1,004	1,397	2,013	000	029	10476
Firearms	Cases	8	9	4	2	4	
	Quantity	13	12	5	4	15	0.070
Firearms parts	Cases	3	7	1	0	_	Total increase
	Quantity	4	13	1	0	3	Total increase

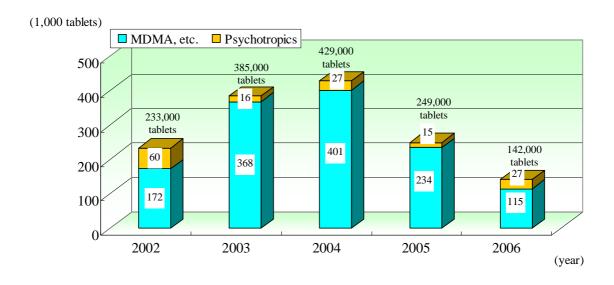
Notes:

- The figures, which are on a detection basis, include quantities seized not only in smuggling cases detected by Customs but also in smuggling cases detected by the police and other law enforcement agencies in collaboration with Customs.
- 2. "Stimulants" includes its raw material.
- "MDMA" represents the sum of all synthetic narcotics including MDMA and MDA.
- 4. A conversion was made for the "Number of uses" based on an average dose of abusers (stimulant: 0.03 g; herbal cannabis: 0.5 g; cannabis resin: 0.1 g; heroin: 0.01 g; cocaine: 0.03 g; opium: 0.3g; MDMA and psychotropic: 1 tablet).

(3) Transition in the Amount of Seizures for Major Illicit Drugs



(Note) Other drugs include heroin, cocaine and opium.



2. Trends in Illicit Drug Smuggling

- (1) Stimulants
- The number of interdictions recorded the second largest figure following the 2004 level.
- Smuggling cases by air passengers, sea passengers and crew members were interdicted one after another.
- Smuggling cases from Canada and Malaysia increased.

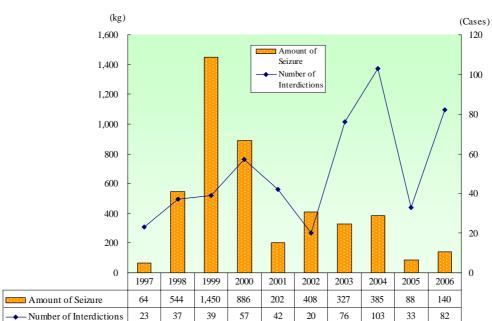
Stimulants still account for about 80% of the total number of arrests for drug abuse (the National Police Agency's data), which makes them the most widely abused illicit drugs in Japan.

The number of domestic arrests in 2006 decreased to 11,611 (87% of the previous year's level) compared to 2005. While members and semi-members of gangster organizations still account for approximately 50% of the number of arrests, the number of juvenile criminals decreased, and the recidivism rate was more than 50% (the National Police Agency's data).

The number of smuggling cases interdicted in 2006 was 82 (248% of the previous year's level), and the amount of seizures was 140 kg (159% of the previous year's level), showing an increase in the number of smuggling cases and the amount of seizures compared with the previous year's level. The number of smuggling cases, in particular, was the second-largest figure ever recorded, following the 2004 level. [See Chart 1.]

In terms of the major smuggling routes in 2006, while China remained the largest smuggling route, the number of smuggling cases from Canada and Malaysia, which showed a decrease in 2005, led to an increase again.

Concerning the modus operandi of smuggling, there were new modi operandi such as impregnating bath towels with solutions of stimulants, in addition to smuggling by air passengers, sea passengers and crew members by wrapping stimulants around their body, and concealing stimulants in international mail services. Risks for interdiction tended to be dispersed as indicated by the fact that one time amount of seizure remained at 10 to 20 kg even in interdiction of commercial cargoes, which had been often home to smuggling in large quantities.



[Chart 1: Transition in the amount of seizure and the number of interdictions for stimulants]

- (2) Cannabis (herbal cannabis and cannabis resin (hashish))
- Compared to 2005, the number of interdictions decreased by 20%, and the amount of seizure decreased to one-third.
- Smuggling cases with hard-to-detect concealment were interdicted one after another, such as smuggling perpetrated by air passengers by concealment in wooden hangers and by swallowing.
- The largest source of herbal cannabis was the Netherlands while cannabis resin still came mainly from India and Nepal.

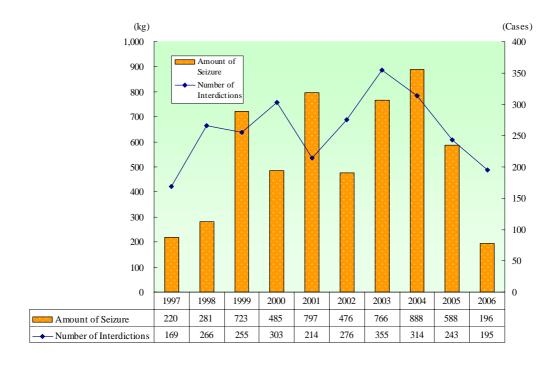
Cannabis is generally assumed to be the most abused illicit drug in the world, and in Japan as well, it is the drug that has been confiscated in the largest quantity among the illicit drugs seized in the past five years. In recent years, its abuse has been spreading, especially among the youth in their 20's, and the number of arrests for cannabis abuse in 2006 reached 2,289, wich was the record high (118% of the previous year's level, the National Police Agency's data).

The number of interdictions and the amount of seizure in 2006 was 195 (80% of the previous year's level) and 196 kg (33% of the previous year's level), respectively. This indicates that cannabis tended to be smuggled in smaller and more frequent lots like stimulants. [See Chart 2.]

The major routes for smuggling herbal cannabis in 2006 included a European route involving countries like the Netherlands and Belgium and an African route involving countries like South Africa and Swaziland, whose herbal cannabis was interdicted for the first time. The African route, accounting for about 30% of the total amount of seizure, played a major role in smuggling of herbal cannabis as it had been. The major route for smuggling cannabis resin was a South Asian route involving India and Nepal.

Concerning the modus operandi of smuggling, cases with hard-to-detect concealment were interdicted one after another, such as smuggling perpetrated by air passengers by concealment in wooden hangers and by swallowing (swallowing cannabis into the body).

[Chart 2: Transition in the amount of seizure and the number of interdictions for cannabis]



- (3) Tablet-type synthetic drugs such as MDMA (including MDA and MDE)
- While the number of interdictions increased, the amount of seizure decreased.
- Smuggling cases via international mail services were interdicted one after another.
- European routes accounted for more than 90% of the total amount of seizure.

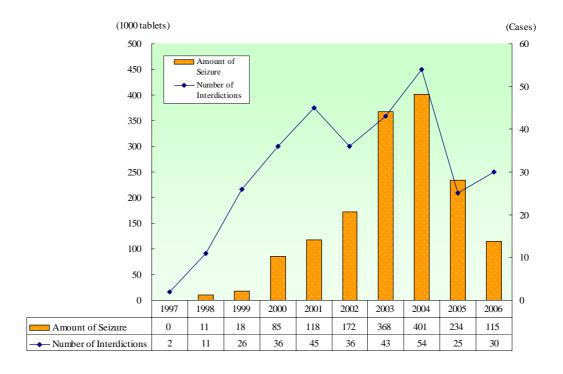
MDMA (commonly known as "Ecstasy") is a synthetic drug that has pharmacological effects similar to stimulants. Due mainly to their shapes, which tend to lower resistance to drug abuse, the spread of their abuse is a growing concern especially among young people in their 20's. Consequently, the number of domestic arrests in 2006 reached 370 (92% of the previous year's level) and increased at a high level following the previous year and 2004, when a record high level was reached (the National Police Agency's data).

The number of interdictions in 2006 was 30 (120% of the previous year's level), and the amount of seizure reached 115 thousand tablets (49% of the previous year's level). While the number of interdictions increased by 20% from the 2005 level, the amount of seizure decreased by nearly 50%. [See Chart 3.]

As for the major routes for smuggling in 2006, a European route mainly via the Netherlands accounted for more than 90% of the total amount of seizure, followed by Canada and China (including Hong Kong).

The major mode of transportation was by air passengers or via international mail services as in 2005. Concerning the modus operandi of smuggling, cases where MDMA concealed in straws were smuggled from the Netherlands via international mail services were interdicted one after another, in addition to smuggling perpetrated by air passengers by concealment in suitcases.

[Chart 3: Transition in the amount of seizure and the number of interdictions for MDMA and other drugs]



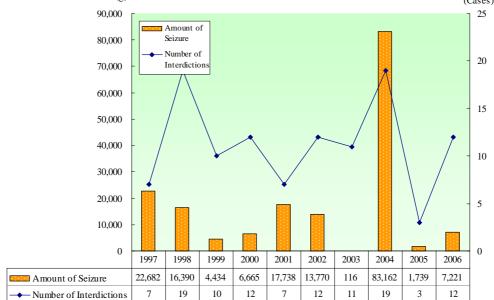
Other illicit drugs: cocaine, heroin, opium and psychotropics

South America is the largest source of cocaine production, and most of the coca leaves used to produce cocaine are illegally grown in the three countries of Columbia, Peru and Bolivia. It is mainly consumed in the United States and Europe.

The number of interdictions of smuggling cases in 2006 was 12 (240% of the previous year's level), and the amount of seizure increased to 7.2 kg (approximately 415% of the previous year), showing a considerable increase both in the number of interdictions of smuggling cases and the amount of seizures compared to the 2005 level. [See Chart 4.]

(g) (Cases) 90,000 25 Amount of 80,000 Seizure

[Chart 4: Transition in the amount of seizure and the number of interdictions for cocaine]



The Golden Triangle, which spreads over Thailand, Laos and Myanmar, and the Golden Crescent, encompassing Afghanistan, Pakistan and Iran, are believed to be the major areas where heroin is produced. The Golden Triangle and its neighboring areas have been the main source of the heroin smuggled into Japan.

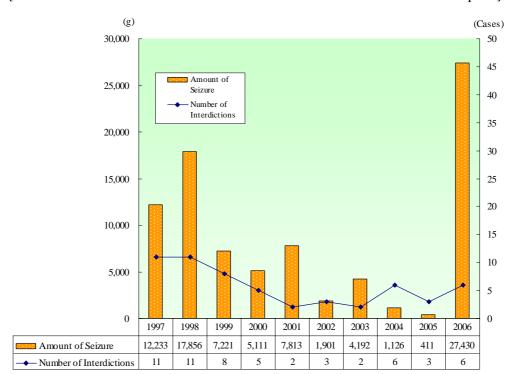
In 2006, 3 cases (100% of the previous year) of smuggling of heroin were interdicted with a seizure of 2.1 kg (1,806% of the previous year) of heroin. [See Chart 5.]

(g) (Cases) 20,000 35 Amount of 18,000 Seizure 30 Number of 16,000 Interdictions 25 14,000 12,000 20 10,000 15 8,000 6,000 10 4,000 5 2.000 0 0 1997 1998 1999 2000 2001 2003 2005 2006 3,678 1,094 5,685 4,770 4,921 Amount of Seizure 2,738 18,665 12 119 2,156 9 3 - Number of Interdictions 12 18 13 14 11 15 3 3

[Chart 5: Transition in the amount of seizure and the number of interdictions for heroin]

c. Opium, like heroin, is generally assumed to be produced mostly in the Golden Triangle and the Golden Crescent.

In 2006, 6 cases (200% of the previous year) of smuggling of opium were interdicted with a seizure of 27 kg (6,669% of the previous year) of opium. While a smuggling case of about 15 kg, the largest amount ever recorded for one-time seizure, was interdicted, many smuggling cases from Iran using small-lot air express cargoes were interdicted. [See Chart 6.]



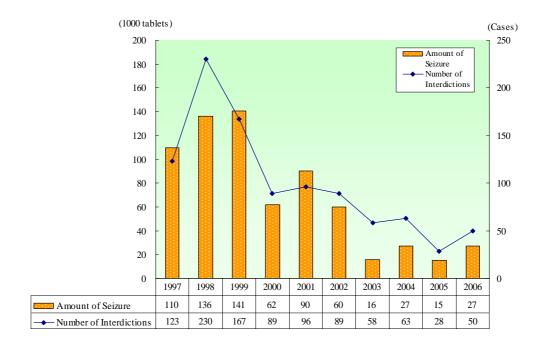
[Chart 6: Transition in the amount of seizure and the number of interdictions for opium]

d. Psychotropics is a generic term for substances which have tranquilizing, stimulative or hallucinatory effects on the central nervous system.

The number of interdictions in 2006 was 50 (179% of the previous year's level), and the amount of seizure was 27 thousand tablets (184% of the previous year's level). [See Chart 7.]

Major sources for smuggling in 2006 were the Asian region, including China, Thailand and the Philippines, and smuggling from these countries accounted for some 90% of the total amount of seizure.

[Chart 7: Transition in the amount of seizure and the number of interdictions for psychotropics]



Accusation of the stimulant smuggling cases where large quantities of stimulants were made to drift ashore to Shimane Prefecture in 2002.

As for the cases where large quantities of stimulants were made to drift ashore on the coast of Nawacho and Daisen-cho of Saihaku-gun, Shimane, in November and December of 2002, respectively,

Tokyo Customs conducted a joint investigation with Kobe Customs and other related law enforcement authorities. As a result, they found out that those stimulants, weighing about 237 kg, had been thrown from a North Korean-registered ship and that similar smuggling cases had also occurred in June and October of the same year. In August 2006, they accused eight suspects including gang leaders who had tried to smuggle the stimulants by ship-to-ship delivery at sea.







3. Trends in Firearms Smuggling

- Number of Interdictions

Genuine handguns seized within the country in 2006 were mostly made in foreign countries such as the United States, the Philippines, Belgium, and Russia (the National Police Agency's data).

Thus, most of the handguns seized within the country are considered to have been smuggled from overseas.

The number of interdictions for firearms in 2006 was 4 (200% of the previous year's level), and the number of seized firearms was 15 (375% of the previous year's level). [See Chart 8.]

(Quantity) (Cases) Amount of Seizure Number of Amount of Seizure

[Chart 8: Transition in the number of seizure and the number of interdictions for firearms]

Other Smuggling Cases: smuggling of articles infringing intellectual property rights

Along with socially harmful goods, articles infringing intellectual property rights are designated as import-prohibited goods by the Customs Law. Most of the cases of smuggling for articles infringing intellectual property rights that were interdicted by Customs as a customs offenses involved counterfeit brand products that infringed on trademark rights. Most of the cases were smuggling from China and South Korea via international mail services or using passenger's accompanied personal effects.

In 2006, Customs disposed 108 cases of smuggling cases of goods infringing IPRs, including the accusation of smuggling cases of clothing and bags that infringed on trademark rights and of counterfeit Viagra tablets that infringed on patent rights and trademark rights.